GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1995
ANSWERED ON:28.07.2016
Privatisation of Airports
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Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government proposes to privatise airports including Ahmedabad airport under Public Private Partnership (PPP) model and also to increase the frequency of flights connecting major cities in the country with major cities abroad;

(b) if so, the details thereof and the list of foreign flight operators operating flights from Indian cities to cities abroad;

(c) whether the Government also proposes to increase revenue generation for Airports Authority of India by increasing fees collected from various heads from the domestic and international flights operated in the country;

(d) if so, the details thereof and steps taken to increase the passenger strength at airports in the country; and

(e) whether the Government proposes to reduce the airport User Development Fee and fuel charges to reduce overall airfares charged by airlines and if so, the details thereof and the steps taken by the Government in this regard?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): No, Madam.

(b): Does not arise in view of (a) above. Details of foreign airlines operating to/from India during summer 2016 is at Annexure-I.

(c) &(d): Airports Economic Regulatory Authority of India (AERA) determines the aeronautical tariffs in respect of major airports of AAI whereas tariffs in respect of non-major airports are determined by the Government of India. The aeronautical tariff is determined on the basis of Aggregate revenue requirement (ARR) considering various factors viz. capital expenditure, operational cost, viability of the airport,impact on passengers, etc. The increase/decrease in the charges depends on the final ARR as per the tariff determination process.

(e): While determining tariff for aeronautical services at major airports including those of AAI, User Development fee (UDF) is considered by AERA as a revenue enhancing measure to bridge any revenue shortfall, so that the airport operator is able to get a fair rate of return on investment and thus the quantum of UDF varies across airports. Further, tariff for supply of fuel is determined by AERA considering the commercial agreements entered into between the airlines i.e the users and the fuel service providers.